

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

U.S. COMMODITY FUTURES TRADING
COMMISSION,

Plaintiff,

v.

AMARANTH ADVISORS L.L.C., et al.,

Defendants.

07 Civ. 6682 (DC)

ECF CASE

DECLARATION OF MICHAEL C.
McLAUGHLIN IN SUPPORT OF
PLAINTIFF'S OPPOSITION TO
DEFENDANTS' MOTION TO DISMISS

I, Michael C. McLaughlin, hereby declare as follows:

1. I have personal knowledge of the facts stated herein, and if called as a witness, I could competently testify to those facts.
2. I have been a futures trading investigator at the Division of Enforcement of the Commodity Futures Trading Commission ("CFTC") for seven years. My office is at 140 Broadway, New York, NY 10005. My duties as an investigator include investigating commodity firms and individuals located throughout the United States, for the purpose of ensuring compliance with and enforcement of the Commodity Exchange Act. As part of my duties as an investigator, I have interviewed witnesses, prepared investigative reports of those interviews, analyzed trading data and banking data and prepared reports concerning certain aspects of my investigative findings to be used in court.
3. I am familiar with the documents maintained by the CFTC concerning the

In re Natural Gas Trading by Amaranth Advisors, LLC, et al. investigation and the litigation *CFTC v. Amaranth Advisors, LLC, et al.* Case No. 07-CV-6682.

4. Brian Hunter has produced documents to the CFTC's New York office in response to document requests.

5. Based on my review of the documents, it appears that most of the former employees, managers and traders of Amaranth Advisors, LLC or its affiliates, who may be potential witnesses in this litigation, reside in the United States.

6. Based on my review of transcripts, most of the floor brokers and telephone clerks who work at the New York Mercantile Exchange ("NYMEX") and who may be potential witnesses in this litigation, reside in the United States.

7. Based on information and belief, most of the relevant trading records that are in the possession, custody and control of NYMEX are located within this District.

8. The CFTC uses a commercially-available electronic software program called LiveNote that permits electronic storage of transcripts. All the copies of deposition transcripts attached to this Declaration as exhibits are in the LiveNote format.

9. Attached to this Declaration as Exhibit 1 are excerpts from the transcript of investigative testimony of Brian Hunter dated 6/15/07.

10. Attached to this Declaration as Exhibit 2 are excerpts from the transcript of investigative testimony of Brian Hunter dated 11/16/06.

11. Attached to this Declaration as Exhibit 3 are excerpts from the transcript of investigative testimony of Brian Hunter dated 11/17/06.

12. Attached to this Declaration as Exhibit 4 is the complaint captioned *Brian*

J. Hunter v. Deutsche Bank AG, Index No. 04602791, filed on August 26, 2004 in the Supreme Court of the State of New York, County of New York.

13. Attached to this Declaration as Exhibit 5 are two documents produced by Amaranth in the course of the investigation. The first document (Bates #AMARANTH_REG003345) is an Employment Inquiry Release for Brian John Hunter. The second document (Bates #AMARANTH_REG003384) is a letter dated August 16, 2005 from Stanley K. Friedman, Amaranth's Managing Director, to the U.S. Citizenship and Immigration Services re: Brian Hunter.

14. Attached to this Declaration as Exhibit 6 are excerpts from the transcript of investigative testimony of Charles Winkler dated 12/14/06.

15. Attached to this Declaration as Exhibit 7 are excerpts from the transcript of investigative testimony of Steven Johnson dated 11/27/06.

16. Attached to this Declaration as Exhibit 8 are excerpts from the transcript of investigative testimony of Nicholas Maounis dated 11/20/06.

17. Attached to this Declaration as Exhibit 9 are excerpts from the transcript of investigative testimony of Nicholas Maounis dated 11/20/06.

18. Attached as to this Declaration as Exhibit 10 is an Amaranth Group Expense Report for Brad Basarowich dated 9/18/06 and produced to the CFTC by Mr. Basarowich.

19. Attached to this Declaration as Exhibit 11 are excerpts from the transcript of investigative testimony of Robert Jones dated 11/13/06.

20. Attached to this Declaration as Exhibit 12 are excerpts from the transcript of investigative testimony of Robert Jones dated 11/13/06.

21. Attached to this Declaration as Exhibit 13 is the Declaration of Brian Hunter in Support of Plaintiff's Motion for Temporary Restraining Order, Preliminary Injunction and Declaratory Relief submitted in *Hunter v. FERC*, Case No. 07-CV-1307 (D. D.C.), dated 7/23/07.

22. Attached to this Declaration as Exhibit 14 is an organization chart for Amaranth Group, Inc.'s Global Energy and Commodities Group (Bates #AALLC_REG1081164) that was produced to the CFTC by Amaranth in the course of the investigation.

23. Attached to this Declaration as Exhibit 15 are excerpts from the transcript investigative testimony of David Chasman dated 11/28/06.

24. Attached to this Declaration as Exhibit 16 are excerpts from the Amaranth Advisors (Calgary) ULC Compliance Manual dated March 10, 2006. This document was produced to the CFTC by Amaranth in the course of the investigation.

25. Attached to this Declaration as Exhibit 17 are excerpts from the transcript of investigative testimony of Harpreet Singh Arora dated 11/14/06.

26. Attached to this Declaration as Exhibit 18 are excerpts from the transcript of investigative testimony of Thomas J. O'Connor dated 2/27/07.

27. Attached to this Declaration as Exhibit 19 are excerpts from the transcript of investigative testimony of James DeLucia dated 7/9/07.

28. Attached to this Declaration as Exhibit 20 are excerpts from the transcript of investigative testimony of Eric Bolling dated 6/29/07.

29. Attached to this Declaration as Exhibit 21 are excerpts from the transcript of investigative testimony of Vincent Rufa dated 3/7/07.

30. Attached to this Declaration as Exhibit 22 are excerpts from the transcript of investigative testimony of Michael Carrieri dated 5/15/07.

31. Attached to this Declaration as Exhibit 23 is a page (Bates #AMARANTH_REG003366) from what appears to be Brian Hunter's employment file at Amaranth which was produced to the CFTC by Amaranth in the course of the investigation.

32. Attached to this Declaration as Exhibit 24 is the Supplemental Declaration of Brian Hunter in Further Support of Plaintiff's Motion for a Preliminary Injunction and Declaratory Relief in *Hunter v. FERC*, Case No. 07-CV-1307, dated August 3, 2007.

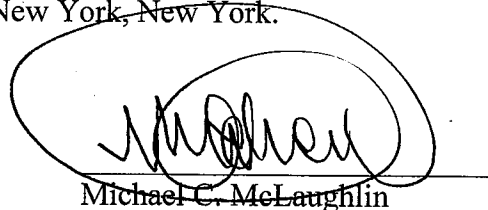
33. Attached to this Declaration as Exhibit 25 is the complaint in *Solengo Capital Advisors ULC v. Dealbreaker, et al.*; Case No. 07-CV-2657 (SDNY), dated April 2, 2007.

34. Attached to this Declaration as Exhibit 26 is the complaint in *Hunter v. FERC*, Case No. 07-CV-1307 (D. D.C.), dated July 23, 2007.

35. Attached to this Declaration as Exhibit 27 are excerpts from the transcript of investigative testimony of Matthew Donohoe dated 3/14/07.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 20th day of December 2007 at New York, New York.



Michael C. McLaughlin